

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-168-E
September 10, 2009

Progress Energy Carolinas, Incorporated's)	
Incorporated's Motion for Partial Waiver)	
Of Commission Rules 103-331 and 103-336)	STIPULATION

This Stipulation ("Stipulation" or "Agreement") is made by and among the South Carolina Office of Regulatory Staff ("ORS"); Progress Energy Carolinas, Inc. ("Progress"); Duke Energy Carolinas, LLC ("Duke"); and South Carolina Electric & Gas Company ("SCE&G") (collectively referred to as the "Parties" or sometimes individually as a "Party").

WHEREAS, the Public Service Commission of South Carolina ("Commission") directed Commission Staff to schedule a generic hearing after recognizing the need for uniformity among the electric utilities regarding waivers of 26 S.C. Code Ann. Regs. 103-331 and 103-336 (Supp. 2008);

WHEREAS, on June 5, 2009, the Commission set a hearing for September 17, 2009 at 10:30 a.m. and established August 20, 2009 as the prefiled direct testimony date for all Parties and September 3, 2009 as the date for rebuttal testimony;

WHEREAS, Commission Rule 103-331(A)(1) states an electrical utility may require an existing customer to post a deposit or other form of security to guarantee payment if the customer has had two consecutive 30-day arrears or more than two non-consecutive 30-day arrears in the past 24 months;

WHEREAS, Commission Rule 103-336 states deposits shall be refunded completely with interest after two years unless the customer has had two consecutive 30-day arrears or more than two non-consecutive 30-day arrears in the past 24 months;

WHEREAS, the Commission provided notice to the public of the generic hearing;

WHEREAS, the Parties listed above submitted testimony in this docket on August 20, 2009;

WHEREAS, no other testimony was filed by any other party;

WHEREAS, the Parties to this Stipulation are parties of record in the above-captioned docket;

WHEREAS, Progress, Duke, and SCE&G ("the Companies") have requested to present their witnesses as a panel;

WHEREAS, the Parties have engaged in discussions to determine if a Stipulation would be in their best interest;

WHEREAS, following these discussions the Parties have each determined that their interest and the public interest would be best served by agreeing to matters in the above-captioned case under the terms and conditions set forth below:

1. The Parties agree to stipulate into the record before the Commission the direct testimony and exhibits of the following four (4) witnesses without objection, change, amendment or cross-examination with the exception of changes comparable to those which would be presented via an errata sheet or through a witness noting a correction.

- (i) ORS witness:
Randy Watts
- (ii) Progress witness:
Elaine McCallister
- (iii) Duke witness:
Barbara G. Yarbrough

(iv) SCE&G witness:
Dan S. Brown

2. The Parties agree that the partial waiver of Commission Rule 103-331 approved by the Commission for Duke in Commission Order Nos. 2004-417 and 2005-600 should be continued and extended to all investor-owned electrical utilities operating in South Carolina.

3. The Parties further agree that, in conjunction with the continuance and expansion of the partial waiver of Commission Rule 103-331, a waiver of Commission Rule 103-336 is also necessary.

4. The Parties agree that a partial waiver of Rule 103-331 will allow the Companies more freedom to negotiate payment solutions with a non-residential customer or a non-residential customer's parent company who may be experiencing financial difficulties but has not yet defaulted or caused a default on payment obligations to the electric utility.

5. The Parties agree that requiring the Companies to wait for a customer to default on a payment places the Companies at a disadvantage in relation to the customer's other creditors and burdens other classes of customers by increasing the balance of uncollectible accounts.

6. The Parties agree that a waiver of Rule 103-336 is also consistent with the partial waiver of Rule 103-331 in that a customer or parent company's financial difficulty or bankruptcy may be imminent even though it continues to make billed payments in a timely manner.

7. The Parties agree that the Companies may use different credit sources and evaluation techniques to perform a risk analysis on a customer as long as their respective practices are generally consistent with one another.

8. The Parties agree that the Companies will provide ORS with a copy of their respective internal credit risk rating criteria upon request by ORS.

9. Accordingly, the Parties agree that a partial waiver of Rule 103-331 and a waiver of 103-336 are reasonable, prudent, and in the public interest and should be extended to all investor-owned electrical utilities in South Carolina.

10. The Parties agree this Stipulation is reasonable, in the public interest and in accordance with law and regulatory policy.

11. ORS is charged with the duty to represent the public interest of South Carolina pursuant to S.C. Code §58-4-10(B) (Supp. 2008). S.C. Code §58-4-10(B)(1) through (3) reads in part as follows:

“...‘public interest’ means a balancing of the following:

- (1) Concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) Economic development and job attraction and retention in South Carolina; and
- (3) Preservation of the financial integrity of the State’s public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.”

12. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission as a fair, reasonable and full resolution in the above-captioned proceeding. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.

13. This written Stipulation contains the complete agreement of the Parties. There are no other terms and conditions to which the Parties have agreed. The Parties agree that this Stipulation will not constrain, inhibit or impair their arguments or positions held in future

proceedings, nor will the Stipulation or any of the matters agreed to in it be used as evidence or precedent in any future proceeding. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation without penalty.

14. This Stipulation shall be interpreted according to South Carolina law. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing his or her signature or authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Stipulation.

WE AGREE:

Representing and binding the South Carolina Office of Regulatory Staff

Shannon Bowyer Hudson

Shannon Bowyer Hudson, Esquire

Shealy Boland Reibold, Esquire

South Carolina Office of Regulatory Staff

1401 Main Street, Suite 900

Columbia, SC 29201

Phone: (803) 737-0800

Fax: (803) 737-0895

Email: shudson@regstaff.sc.gov

sreibol@regstaff.sc.gov

WE AGREE:

Representing and binding Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.

A handwritten signature in black ink, appearing to read "Len S. Anthony", is written over a horizontal line.

Len S. Anthony, Esquire

Carolina Power & Light Company, d/b/a Progress Energy Carolinas, Inc.

P.O. Box 1551

Raleigh, NC 27602

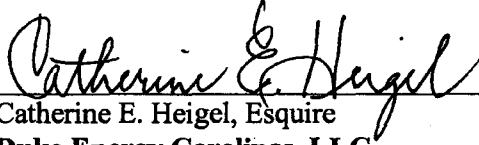
Phone: (919)546-6367

Fax: (919)546-2694

Email: len.s.anthony@pgnmail.com

WE AGREE:

Representing and binding Duke Energy Carolinas, LLC

A handwritten signature in cursive script, reading "Catherine E. Heigel", is written over a horizontal line.

Catherine E. Heigel, Esquire

Duke Energy Carolinas, LLC

526 S. Church Street, EC03T

Charlotte, NC 28202

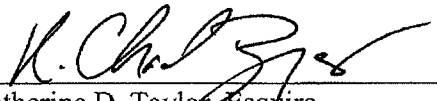
Phone: (704) 382-8123

Fax: (704) 382-5690

Email: ceheigel@duke-energy.com

WE AGREE:

Representing and binding South Carolina Electric & Gas Company



Catherine D. Taylor, Esquire
K. Chad Burgess, Esquire
South Carolina Electric & Gas Company
1426 Main Street, 13th floor
Columbia, SC 29201
Phone: (803) 217-9356
(803) 217-8141
Fax: (803) 217-7931
Email: cdtaylor@scana.com
chad.burgess@scana.com

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2009-168-E

IN RE:

Progress Energy Carolinas, Incorporated's Motion)	
for Partial Waiver of Commission Rules 103-331)	CERTIFICATE OF
and 103-336)	SERVICE
)	

This is to certify that I, Chrystal L. Morgan, have this date served one (1) copy of the **STIPULATION** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

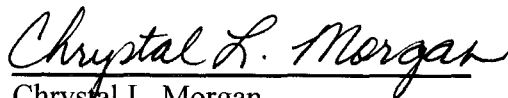
Len S. Anthony, Esquire
Progress Energy Carolinas, Incorporated
Post Office Box 1551
Raleigh, NC, 27602

Catherine E. Heigel, Associate General Counsel
Duke Energy Carolinas, LLC
Post Office Box 1006, EC03T
Charlotte, NC, 28201-1066

M. John Bowen, Jr., Esquire
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, SC, 29211

Margaret M. Fox, Esquire
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, SC, 29211

K. Chad Burgess, Senior Counsel
South Carolina Electric & Gas Company
1426 Main Street, MC 130
Columbia, SC, 29201


Chrystal L. Morgan

September 10, 2009
Columbia, South Carolina